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MEMBERS AT TOP BANKS — TABLES BEGIN ON PAGE 7

American Banker

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VOL. CLIII NO. 60 Monday, March 28, 1988 53rd Year

Today

Chemical Bank's plan to pull out of retail mortgage lending in Britain is a setback for the young securities market and a sign of difficulties for U.S. banks in the mortgage business in Europe. 2

Iowa is near a settlement with a Delaware bank on a suit challenging the institution's right to charge Iowa residents larger fees than those permitted under Iowa law. 2

BayBanks Inc. has agreed to drop an antitrust suit against New England Network Inc. in what appears to be a BayBanks victory. New England Network, operator of the Yankee 24 automated teller machine network, in return has agreed not to charge a fee that would have been levied on certain transactions. 2

Continental Illinois is starting a commercial paper unit, to be headed by Chemical Bank veteran Gerard LaMaita. 2

A report critical of Freddie Mac's deal to buy repurchase agreements from American Savings and Loan Association is causing a stir. 2

Irving Bank Corp. must offer details about possible alternatives to an acquisition by Bank of New York or its stock price will fall, analysts warn. 3

Debate raged at the National Automated Clearing House Association's conference over how much to spend on advertising, whether existing technology can accommodate anticipated growth in transaction volume, and what role the payment system will play in electronic data interchange. 32

Executive Changes 15
In the News 3
Index to Week's Stories 24
The Markets 26
Memory Bank 25

COMMENT

An investment in housing can no longer be counted on to increase in value, writes Dr. Paul S. Nadler. 4

The tight money policy of Federal Reserve Chairman Alan Greenspan may undermine the presidential candidacy of George Bush, unless the Fed relents in time to stimulate some good news before the November election, writes H. Eric Heinemann. 4

NEWS MONDAY

Draft legislation unveiled by House Banking Committee Chairman Fernand J. St Germain is outlined, including the limited securities powers granted banks and their holding companies. 21

The Comptroller's office should take a more active role in trying to solve international debt problems, according to the agency's new deputy for international banking. 21

Worth Repeating

Frankly, I've never believed that there is a white knight out there, and I'm still not convinced there is.

Lawrence W. Cohn, banking analyst with Merrill Lynch Capital Markets Group, on Irving's predicament. [Page 1]

Recent Government Assistance Raises Fears of Intervention

By ROBERT TRIGAUX
Washington Bureau

Blanket guarantees to the depositors and creditors of Dallas-based First RepublicBank Corp.'s 73 banks and to California's American Savings and Loan Association have revived fears of government intervention in the financial industry.

But no one seems sure what to do about it.

A few things are sure, according to banking observers.

First, the number of banks generally believed to be "too big to fail" has grown to more than two dozen, while the size of such banks is declining and is now in the $20 billion-asset range. After the $4.5 billion government rescue of $41 billion-asset Continental Illinois Corp. in 1984, it was generally believed that only the dozen largest banks could generate risk to the industry as a wholeand were judged too big to fail.

News Monday begins on page 19

Washington Briefing

"We know from First Republic that the TBTF [too big to fail] size is down to the $30 billions, and I'd estimate it is

Briefing: Page 20 ➤

FDIC Will Try to Recover Its Expenses In Some Cases of Open-Bank Assistance

By RICHARD RINGER
Midwest Bureau

CHICAGO — The Federal Deposit Insurance Corp. will seek, in some instances, refunds on the money it disburses to banks to keep them from failing.

The payback will be made either when an FDIC-assisted bank is sold or after the bank's capital level has been restored to a higher level.

The FDIC confirmed last week that it would institute refund procedures. An agency spokesman, Alan J. Whitney, said the FDIC is negotiating refund contracts with two banks in the Southwest that have reached an agreement in principle to obtain open-bank assistance. The contracts could be completed in the next few months, he said.

The refund provision is not included in the assistance package arranged for First City Bancorporation of Texas, Houston, or in the FDIC's agreement to provide assistance to First RepublicBank Corp., Dallas.

The refund procedure would allow the FDIC to share in the future profits or resale of banks that are given financial assistance under the agency's open-bank program.

The FDIC began the program of contributing funds to banks in danger of failing as a less costly alternative to liquidating the assets of a failed bank.

Not all banks that obtain open-bank assistance will be required to make the refunds. And the amount to be repaid will be determined on a case-by-case basis, Mr. Whitney said.

Last year, the FDIC approved nine assistance transactions that included 19 banks. So far this year, it has arranged seven transactions involving eight banks.

FDIC: Page 28 ➤

Morgan's Role In Merger Pits It Against Client

Customer Is Angered; A Thorny Issue for Bank

By JED HOROWITZ

NEW YORK — In a new twist on a continually knotty issue, Morgan Guaranty Trust Co. is helping one client buy a firm that another Morgan client agreed to purchase.

CORPORATE FINANCE

A spokeswoman for SmithKline Beckman Corp., the Philadelphia pharmaceutical giant, confirmed that Morgan is financial adviser and dealer-manager on its $32-per-share bid to buy International Clinical Laboratories Inc.

The rub is that Corning Glass Works — a long-time Morgan customer — announced a definitive agreement two weeks earlier to buy the Nashville-based laboratory services company for $26 a share. And it hired the New York bank as its exchange agent on the deal.

Corning officials were surprised by the rival bid and outraged by Morgan's role. They learned of the tender offer last Thursday, through newspaper notices that identified Morgan as dealer-manager.

"You can imagine what it might be," said Stephen Albertalli, director of investor relations at the upstate New York manufacturer, when asked for a reaction. "I just don't use four-letter words over the phone."

Mr. Albertalli would not comment on whether the bank would sever its relationships with Morgan, which he described as one of Corning's "major banks for many years." Corning has a revolving credit line and other facilities with Morgan, he said.

Whatever the outcome of Corning's

Morgan: Page 31 ➤

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IN THE NEWS

Peru Approves Debt Swaps

LIMA — Peru approved a $94 million debt-for-products swap with Chase Manhattan Bank that is said to be the biggest yet reached with a foreign commercial bank. Chase is Peru's largest foreign bank creditor with exposure of more than $200 million. The deal announced last week covers Chase's working capital loans to Peruvian banks and does not include medium- and long-term syndicated credits. Chase Trade Inc., the bank's trading company, will market the goods obtained in the swap.

Peruvian officials also approved a $59 million debt-for-products swap with a Czechoslovakian bank. Similar deals are being worked out with American Express Bank and the First National Bank of Maryland.

Citicorp Securities Unit Fires 17

NEW YORK — Vickers da Costa Securities, Citibank's New York-based broker of international equities, has fired 17 staff members in research, sales, and operations. Earlier this year Vickers disbanded its trading desk. Firings occurred in the last two weeks. The 68 people remaining at the firm will concentrate on selling research related to overseas markets, a spokesman said.

After the October stock market crash, Citibank increased its stake in the New York broker to 100% from 4.9%, forcing it to curb plans to be a market-maker in the United States for overseas stocks. The Glass-Steagall Act prohibits banks from acting as a principal in dealing equities.

Two Oklahoma Banks Fail

WASHINGTON — The nation's bank failure total stood at 43 on Friday after two banks were closed in Oklahoma. Century Bank, Tulsa, failed on March 24. The Fourth National Bank of Tulsa stepped in and assumed $69.4 million in 13,800 of the failed bank's deposit accounts. Cashion Community Bank, Cashion, also failed. Its $6.4 million in deposits were assumed by Community State Bank, a newly chartered subsidiary of Warrior Bank Corp., also of Cashion. With these two failures, five banks have been closed in Oklahoma in 1988.

Oregon Thrifts to Merge

HILLSBORO, Ore. — Washington Federal Savings Bank, with $197 million in assets, has reached an agreement to acquire Oregon Pioneer Savings and Loan Association, Portland, which has $159 million in assets. The cash deal could cost Washington Federal up to $7.6 million.

— Compiled by Dennis P. O'Connell

Correction

As of Dec. 31, 1987, Bank Leumi Trust Co., New York, had total deposits of $2,625,936,000, making it the 128th largest bank in the United States and the 21st largest in New York State. The bank's deposits rose 0.4% last year.

In the listing of the top 300 banks in the United States [March 22, pages 45-54], the wrong deposit figure was stated for Bank Leumi. As a result, the bank's ranking was understated for both the nation and New York State. In addition, the bank was incorrectly listed among banks with deposit losses last year. ■

Irving Bank Must Detail Its Options, Analysts Say

Without a White Knight, Stock Price Could Go Below Bank of New York's Offer

By GORDON MATTHEWS

NEW YORK — Irving Bank Corp. must quickly offer specific details about its alternatives to an acquisition by Bank of New York Co. or its stock price may again fall below the offer now being made by its Wall Street rival, according to banking industry securities analysts.

"It's only reasonable to assume there will be further announcements over the next week or so making clear what they are doing," said Lawrence W. Cohn, money center banking analyst for the Merrill Lynch Capital Markets Group. "If not, the stock will drift back down under the offering price, to Bank of New York's advantage."

Irving sparked a sharp advance in its stock last week when it informed the Securities and Exchange Commission it was in preliminary discussions with third parties about choices other than a combination with Bank of New York, which is currently waging a proxy contest for control of Irving.

The Schedule 14D-9 disclosure to the SEC last Thursday prompted Irving's stock price to jump $6.625, closing at $66.25 on volume of nearly 1.4 million shares. Bank of New York is currently offering $60 per share in cash and stock for Irving.

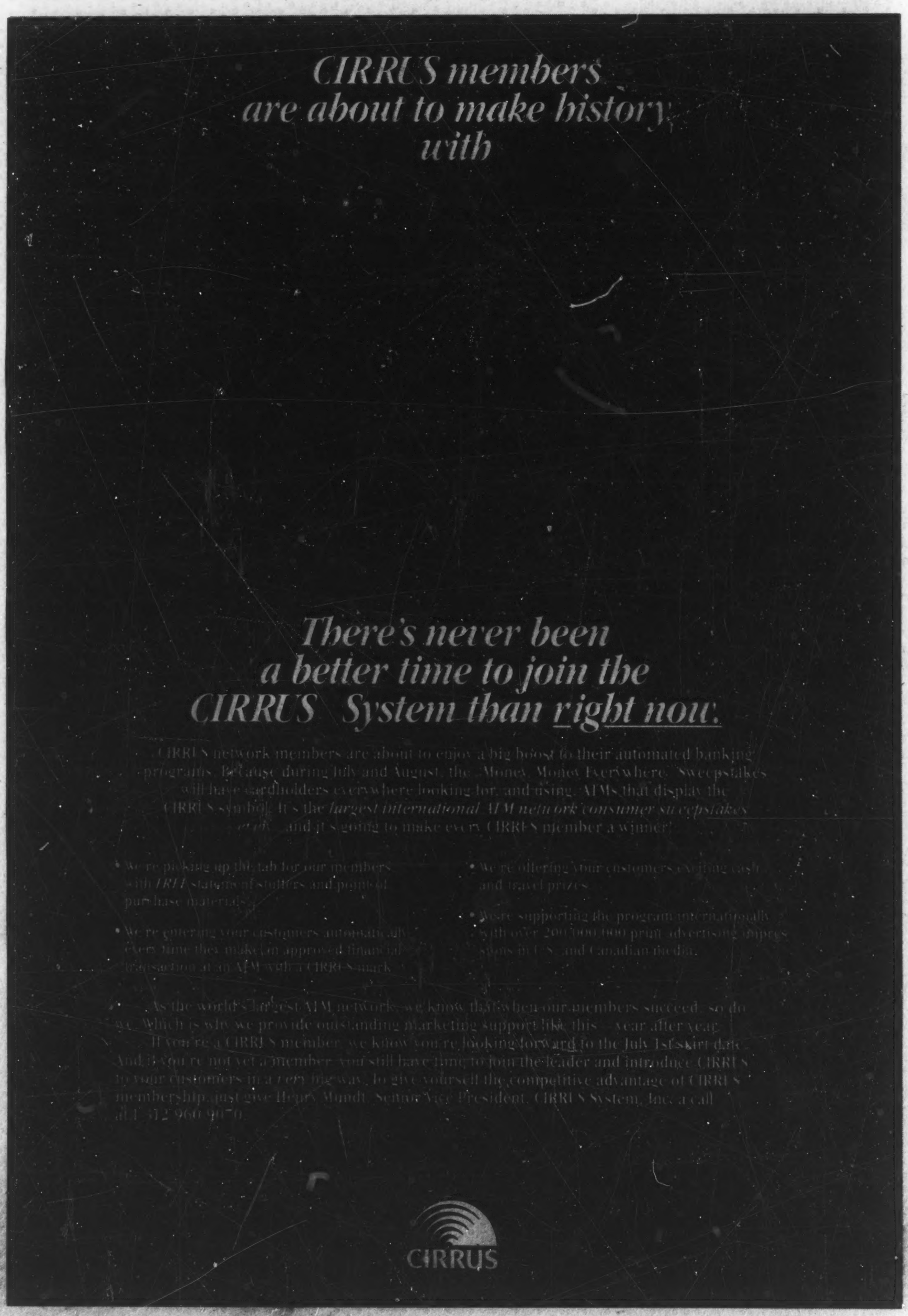
The analysts could offer no guesses about likely friendly bidders for Irving. "I really have difficulty figuring out who it could be," said James H. Wooden, the principal analyst for Shearson Lehman Hutton Inc., New York.

Involvement by major Japanese banks was viewed a remote possibility by James L. Winchester, an analyst at Mabon Nugent & Co., New York. "I think the corporate cultures at the Japanese banks and at Irving are probably very dissimilar," he said.

"The rumors are interesting, and analysts can certainly be surprised, but I don't have a clue as to who it would be," said Thomas K. Brown, banking analyst at Smith Barney, Harris Upham & Co., New York.

Irving's statement to the SEC did not say it had a friendly bidder. The statement said the company was in negotiations to explore options and listed them as a merger or reorganization, a deal involving the securities or assets of the company, a tender offer, or a revamp-

Irving: Page 31 ➡



BANKING TRENDS

Housing Is No Longer a Risk-Free Investment

By DR. PAUL S. NADLER

"HOW CAN MY CLIENTS buy homes when they don't go up in price steadily? There is no other way they can afford them." This was the complaint of a real estate agent at a bank meeting I participated in recently.

There was a general feeling among the real estate agents and others connected with the building industry that something is radically wrong when houses drop in price or even remain static in value. In the past, virtually everything a property buyer purchased went up in price and vindicated the investment and borrowing of the funds.

At first, one can look at this type of thinking and laugh. Everything else goes down in value as time passes. Cars wear out. We wear out. Why should housing keep rising in value year after year?

There are several answers to this.

First, we have had tax laws that encouraged people to go into debt to buy houses; the government ate up a large part of the carrying charges.

Dr. Nadler is a professor of finance at Rutgers University's Graduate School of Management and is contributing editor of the *American Banker*.

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Second, we had a financial structure that kept interest rates artificially low, so that savers were penalized to reward borrowers — even though in many cases the borrower was far richer than the saver. It always annoyed me that savers were given artificially low rates under Regulation Q — even though many were hardworking people who set aside just $10 or $20 a week — while the borrowers, who often bought the expensive home in the suburbs, could get a low interest rate — and a tax-deductible one, too!

Nadler Says:

Housing cannot be a fair-haired boy forever. Laws, low interest rates, and inflation will not protect housing from the basic fact that every other industry knows: Prices can go down as well as up.

Third, because of cheap money and the expectation that housing would always go up in value, we had a self-fulfilling prophecy — people would buy houses instead of renting them; families would split, with unmarried children buying a home instead of sharing a home with their parents; and many people would buy houses for speculative reasons and rent them to others. It was always a case of "don't sit with rent receipts. Buy a home and watch it rise in value."

Deregulation Ends Subsidization

What changed all this?

We have seen that deregulation has altered our financial structure. Today, in real, after-inflation terms, interest rates are higher. The saver has become tired of subsidizing the borrower. As Reg Q tried to maintain this subsidization, the saver often left a bank or thrift and went to a money fund, where he could get a going return on his funds. Banks and thrifts thus had to get the laws changed to allow the saver to get a decent return with them, or else watch the demise of our deposit-type financial institutions.

So money now costs a lot more to borrow on an after-inflation basis than it did before. And those who counted on the rise in the value of property to far more than offset the carrying costs have been proven sadly out of date.

We have also seen sheer economics hurt home investors. People who lost their jobs in the Oil Patch or because of changes on Wall Street no longer could afford to carry two or three houses. Their selling led to a decline in house prices that fed upon itself, just as the rise fed upon itself. Speculators had seen price advances and rushed to get on board, pushing prices up even faster. In like manner, their recent sales, following early price declines, pushed prices down even further.

What we have learned, then, is that housing cannot be a fair-haired boy forever. Laws, low interest rates, and inflation will not protect housing from the basic fact that every other industry knows: Prices can go down as well as up.

And it is not just in housing that we have finally realized this. Many business people also criticized inflation but lived on its benefits.

It was nice to know that whatever inventory you bought, it would always go up in value over time if you couldn't sell it right away. And it was nice to lend money with the same knowledge that inflation would bail out any bad lending decision.

Now we see that inflation is no longer our safety net. The cost of carrying inventory, houses, factories, and the like often exceeds any rise in value of the property, and in some areas we have seen tangible asset values fall markedly.

Inflation Not Inevitable

What has to be realized is that inflation is not an inevitable state of affairs in our nation. This is something that people who entered the world of finance in the past 10 years, when inflation reached 18½% a year, sometimes forget.

Our high inflation stemmed from several factors:

- Staggering rises in energy prices.
- Heavily mandated spending in environmental areas.
- A feeling in all sectors of, "I believe in free enterprise, just keep out the lousy competition." This led to steady wage and price increases as all of us lived under protection from market decisions.
- Finally, we had the heavy budget deficits that had to be financed in part by creating new money.

Now, three of the four are gone. Energy prices are stable — they even fell. Environmental spending has stabilized. Deregulation and the attitude seen in the firing of the air traffic controllers have made all prices and wages more sensitive to the dictates of the marketplace.

The budget deficit remains. But because of our luck in having foreigners finance much of it with their dollar surpluses, it has not been enough of a factor to lead to continued rampant inflation.

So today, if we look to inflation to bail us out of investments in hard goods and especially real estate, we are fighting the last war. We are operating under the assumption that prices will always rise rapidly enough to more than compensate us for the cost of financing the purchases we have made. This is an assumption that we can no longer accept with impunity.

So how do we respond to the real estate agent who says: "How can anyone afford to buy a house if it doesn't go up in value enough to offset the cost of financing it?"

We have to answer that maybe in housing we have finally come to our senses and recognized that if you can't afford it, you can't have it — something we have always known in other areas.

Housing has long been our favored sector. We have made money available for housing in good years and bad, through tax benefits, interest rate subsidization, and various government programs. The result was, as some observers have put it, "We have new houses and old factories, Japan has old houses and new factories."

And what we have now learned is that, basically, the efficient factories and service facilities are prerequisites for being able to afford the new houses.

It may be tough on real estate agents, home buyers, and investors to see housing join the rest of our funds outlets as an investment that does not have guaranteed profitability. But it is a fact of life that can be forgotten only at the peril of those who buy the homes and those who lend the money to pay for them. ■

OVERVIEW

Greenspan's Tight Money May Hurt Bush

By H. ERICH HEINEMANN

WALL STREET is not a happy place at the moment. Prices of common stocks, bonds, and the dollar have all crumbled under the weight of vaguely defined worries that all is not well with the world. The source of the malaise was not hard to find: renewed tight money.

Unless Federal Reserve Chairman Alan Greenspan relents soon, Vice President George Bush can look forward to an uphill struggle for the White House in the fall.

During the winter, Mr. Greenspan pegged short-term interest rates at roughly 6.5%. However, the demand for credit has weakened — far more than the money managers at the central bank assumed.

Reports last week of higher gross national product and increased personal consumption were illusory. In fact, GNP this winter appears to have run at a rate slightly below that of the fourth quarter; the threat of recession has not been erased.

To prevent interest rates from falling, the Federal Reserve has had to reinstate the monetary freeze it imposed on the U.S. economy during most of 1987. In retrospect, tight money appears to have been the single most important cause of the stock market crash on Oct. 19.

Preliminary data suggest that total bank reserves — the raw material that fuels the money supply — will average about $58.5 billion in March. If that estimate is correct, the annual growth rate of total reserves over the last 10 months was only two-tenths of one percent. By contrast, during 1986, total reserves jumped by more than 20%.

The 20% growth rate in total reserves during 1986 was far, far too high. If continued, it certainly would have unleashed powerful inflationary forces. By the same token, a growth rate of two-tenths of one percent is much too low to sustain the economic expansion. The crack in the stock market last October was ample testimony to that conclusion.

The U.S. dollar is very unlikely to post sustained declines in the face of the substantial improvement in the U.S. merchandise trade deficit that is currently under way. However, if the Fed sets off on a quixotic mission to "defend" the dollar (presumably against the forces of evil that lurk above the ozone layer), monetary growth would drop to even lower levels. The threat of a serious recession would increase.

Vice President Bush can rest easy. The Fed would only shut down the economy if Mr. Greenspan had secretly signed on as *agent provocateur* for the Democratic National Committee. But that certainly is NOT the case.

Wrong Time for Tight Money

The Fed's shift back to tight money appears to have been inadvertent. Even so, irrespective of whether Mr. Greenspan and his colleagues intended to tighten, another round of monetary restraint and a sharp downturn in business are the last things the U.S. needs just now.

Despite a lot of happy but careless talk about renewed vigor in total

Overview: Page 13 ➡

Mr. Heinemann is chief economist of Ladenburg, Thalmann & Co., New York, investment bankers, and a member of the Shadow Open Market Committee.

MERGERS AND ACQUISITIONS

Acquisitions, Name and Location Changes

Among Top 300 Banks in Deposits on Dec. 31, 1987, Listed Geographically

Deposit Rank 12/87	Name of Acquiring Bank	Former Name of Bank, or City	Name of Bank Acquired	Deposits of Merged Banks 12/31/86	Date of Change
141	**Central Bank of the South, Birmingham**		Central Bank, Cabaha Heights	NA	Dec. 12
			Central Bank-Shelby County, Birmingham (a)	NA	Dec. 12
89	**First Alabama Bank, Montgomery**		Enterprise Banking Co., Enterprise	146,756,000	Apr. 3
			Albertville National Bank	55,916,000	Oct. 24
			First Alabama Bank, Prattville	NA	Oct. 24
220	**National Bank of Alaska, Anchorage**		Alaska National Bank of the North, Fairbanks	187,440,000	Oct. 23
81	**Arizona Bank, Phoenix**		Bank of Prescott	20,778,000	Apr. 3
			State Bank, Lake Havasu City	70,026,000	Jun. 19
13	**First Interstate Bank of California, Los Angeles**		First Interstate Central Bank, Willows	NA	Jan. 1
7	**Security Pacific National Bank, Los Angeles**		First Sierra Bank, Bishop	20,292,000‡	Jan. 23
			Diablo Bank, Danville	125,370,058	Mar. 1
103	**Bank of California NA, San Francisco**		Bank of Palm Springs	124,328,633	Oct. 1
256	**Bank of the West, San Francisco**		Bank of Los Gatos NA	15,876,509	Jul. 24
293	**Central Bank, San Francisco**		Delta Pacific Bank, Pittsburg, Calif.	21,992,000	Oct. 31
36	**Connecticut Bank & Trust Co. NA, Hartford**		South Windsor Bank & Trust Co.	103,268,000†	Dec. 21
214	**United Bank & Trust Co., Hartford, Conn.**		New Britain National Bank	264,170,000	Mar. 31
			Simsbury Bank & Trust Co.	199,952,000	Mar. 31
			Independent Bank & Trust Co., Willimantic	200,583,000	Mar. 31
289	**Lomas Bank USA, Wilmington, Del.**	MBank USA			Nov. 1
76	**Citizens & Southern NB of Florida, Ft. Lauderdale**	Citizens & Southern NB of Ft. Lauderdale	Citizens & Southern Bank of Pasco Cty., Elfers	59,324,000	Jan. 1
			Citizens & Southern NB of Lee Cty., Ft. Myers	811,851,000	Jan. 1
			Community NB Osceola Cty., Kissimmee	15,464,000‡	Jan. 1
			First National Bank, Seminole Cty., Longwood	13,710,000‡	Jan. 1
			Citizens & Southern Bk of Brevard, Melbourne	116,856,955	Jan. 1
			Citizens & Southern NB of Collier Cty., Naples	339,074,000	Jan. 1
			Citizens & Southern Bank, Orlando	86,164,000	Jan. 1
			Citizens & Sthn Bk of Manatee Cty., Palmetto	158,232,000	Jan. 1
			Ctzn. & So. NB of Charlotte Cty., Port Charlotte	70,191,000	Jan. 1
			Citizens & Southern NB, St. Petersburg	739,303,000	Jan. 1
			Bank of the Islands Sanibel-Captiva, Sanibel	105,800,000	Jan. 1
			Citizens & Southern National Bank, Sarasota	422,944,000	Jan. 1
			Citizens & Southern National Bank, Tampa	307,887,000	Jan. 1
			First National Bank, Winter Park	237,607,000	Jan. 1
52	**First Union National Bank of Florida, Jacksonville**		Collier Bank, Naples	33,508,803	Mar. 1
			Security National Bank, Ft. Meyers	48,938,000‡	Apr. 30
			Commerce National Bank, Naples	38,683,000	May 6
			First State Bank of Pensacola	102,674,000	Sep. 1
			First Union Bank, Sarasota	45,257,000†	Sep. 25
26	**Southeast Bank NA, Miami**		Bank of Miami	338,426,336	Apr. 16
			Southeast Bank of Walton Cty, Destin	12,521,070	Oct. 16
183	**Barnett Bk of Pinellas Cty, St. Petersburg, Fla.**	Home Federal Bank FSB, St. Petersburg (b)	Barnett Bank of Pinellas Cty NA, Clearwater	603,057,000	Jul. 27
			McNulty Banking Co., St. Petersburg	53,185,000†	Aug. 15
41	**NCNB National Bank of Florida, Tampa**		County Bank, Palmetto	159,572,000	Feb. 17
140	**Bank South NA, Atlanta**		Bank of Barrow, Winder	87,945,000	Feb. 9
			First Bank, Conyers	57,222,000	Dec. 4
31	**Citizens & Southern National Bank, Atlanta**		Citizens & Southern Bank, Carrollton	NA	Sep. 1
254	**First American Bank of Georgia NA, Atlanta**	National Bank of Georgia			Nov. 2
			First American Bank of Walton, Monroe	66,436,000	Jun. 1
101	**First Union National Bank of Ga., Atlanta**	First Union National Bank of Georgia, Clarkston	First Georgia Bank, Atlanta	828,426,000	Feb. 17
			Georgia State Bank, Mableton	165,450,148	May 15
			First Union Bank, Augusta	636,736,000	Dec. 1
			First Union National Bank, Columbus	349,566,000	Dec. 1
			First Union Bank, Macon	63,646,000	Dec. 1
			First Union Bank, Pine Mountain	36,730,000†	Dec. 1
			First Union Bank, Savannah	438,200,000	Dec. 1
			First Union Bank, Sylvania	35,891,000†	Dec. 1
			First Union Bank, Waynesboro	NA	Dec. 1
244	**Summit Bank, Ft. Wayne, Ind.**		American State Bank, Sheridan	38,741,197	Jan. 16
			Anthony Wayne Bank, Ft. Wayne	206,365,000	Apr. 30
282	**Gainer Bank NA, Gary, Ind.**		Hoosier St Bank of Indiana, Hammond	112,865,433	Mar. 1
122	**Bank One Indianapolis NA**	American Fletcher NB&T Co.			Jan. 27
79	**Hibernia National Bank, New Orleans**	Hibernia National Bank in New Orleans	Guaranty Bank & Trust Co., Alexandria	354,519,000	Jan. 1
			Hibernia National Bank, Baton Rouge	714,464,000	Jan. 1
			Hibernia National Bank, Lafayette	113,389,000	Jan. 1
			Hub City Bank & Trust Co., Lafayette	NA	Feb. 21
			Hibernia NB in Jefferson Parish, Metairie	238,625,000	Feb. 20
			Shreveport Bank & Trust Co.	98,637,617	Oct. 31
147	**Whitney National Bank, New Orleans**		Whitney National Bank, Metairie	320,628,000	May 1
133	**Bank of Baltimore**		Metropolitan FS&LA, Bethesda	424,862,000	Sep. 8
295	**Provident Bank of Maryland, Baltimore (c)**	Provident Bank of Maryland (Mutual Savings Bank)			Dec. 22
148	**Signet Bank/Maryland, Baltimore**	Union Trust Co. of Maryland			Mar. 30
222	**Citizens Bank & Trust Co., Riverdale, Md.**		Bank of Damascus	139,548,502	Jan. 30
25	**Bank of New England NA, Boston**		Hampshire National Bank, South Hadley	97,936,000	Apr. 22
			Patriot Bank NA, Boston	861,602,000	Aug. 7
			Shawmut County Bank NA, Cambridge	464,121,000	Aug. 28
			Shawmut Community Bank NA, Framingham	386,633,000	Jul. 3
			Shawmut Needham Bank NA	208,215,000	Sep. 18
			Shawmut Quincy Bank & Trust Co.	8,781,000	Sep. 18
			Shawmut Merchants Bank NA, Salem	194,777,000	Oct. 23
229	**Bank of New England-West NA, Springfield, Mass.**		Hampshire NB, South Hadley	97,936,000	Oct. 16
47	**Manufacturers National Bank, Detroit**		Manufacturers Bank of Livonia	109,836,000	May 1
			Manufacturers Bank of Novi	27,278,000	May 1
			Manufacturers Bk of the Shores, St Clair Shores	80,837,000	May 1
			Manufacturers Bank of Southfield NA	196,735,000	May 1
21	**National Bank of Detroit**		NBD Troy Bank NA	86,819,000†	Dec. 1
39	**Michigan National Bank, Farmington Hills**	Michigan National Bank-Farmington	Michigan National Bank-Ann Arbor	62,178,000	Mar. 1
			Michigan National Bank-South Metro, Dearborn	233,002,000	Mar. 1
			Michigan National Bank of Detroit	1,881,591,000	Mar. 1
			Michigan National Bank-Mid Michigan, Flint	292,872,000	Mar. 1
			Michigan National Bank-West, Kalamazoo	68,792,000	Mar. 1
			Michigan National Bank, Lansing	1,449,501,000	Mar. 1
			Michigan National Bank-West Metro, Livonia	343,091,000	Mar. 1
			Michigan National Bank-Valley, Midland	156,373,000	Mar. 1
			Michigan National Bank-West Oakland, Novi	87,756,000	Mar. 1
			Michigan National Bank, Port Huron	308,499,000	Mar. 1
			Michigan National Bank-Oakland, Southfield	514,844,000	Mar. 1
			Michigan NB-Sterling, Sterling Heights	84,940,000	Mar. 1
			Michigan National Bank-North Metro, Troy	412,524,000	Mar. 1
			Michigan National Bank of Macomb, Warren	212,840,000	Mar. 1
			Michigan National Bank-Central, Wyoming	336,045,000	Mar. 1
			Michigan Bank-Livingston, Brighton	58,180,000	Sep. 1
19	**First Bank NA, Minneapolis**	First National Bank	First Northtown National Bank, Blaine	58,525,000	Dec. 31
			First National Bank, Burnsville	53,586,000	Dec. 31
			First Edina National Bank	236,432,000	Dec. 31
			First Southdale National Bank, Edina	275,463,000	Dec. 31
			First National Bank, Hopkins	249,234,000	Dec. 31
			First Bank NA-Lake, Minneapolis	272,134,000	Dec. 31
			First Plymouth National Bank, Minneapolis	41,821,000†	Dec. 31
			First Bank Robbinsdale NA	132,709,000	Dec. 31
			First Bank East NA, St. Paul	186,897,020	Dec. 31
			First Bank Grand NA, St. Paul	119,215,000	Dec. 31
			First Bank Security, St. Paul	94,787,000	Dec. 31
			First National Bank, St. Paul	3,202,279,000	Dec. 31
			First Bank White Bear Lake NA	96,377,000	Dec. 31

Acquiring Banks are listed in geographic order, with their respective deposit ranks for Dec. 31, 1987, shown in the left-hand column. Acquired banks are listed by date of acquisition. If several acquisitions occur on the same date, banks are listed geographically by city, and within a city, alphabetically. Unless otherwise noted, deposits shown are as of Dec. 31, 1986, and are for the acquired bank. **(a)**— Acquired by Central Bank, Cabaha Heights, which in turn, was acquired by Central Bank of the South. **(b)**— The $1.28 billion-deposit Home Federal was acquired by Barnett Banks and converted from a savings bank to commercial bank charter. **(c)**— Converted from a mutual savings bank to a commercial bank. **N.A.**— Not available. **(†)**— Deposits are for 6/30/87. **(‡)**— Deposits are for 6/30/86. **Data sources:** American Banker survey data and the Federal Reserve Board's monthly G 4.5 Report: "Changes in Status of Banks and Branches."

Acquisitions, Name and Location Changes

Among Top 300 Banks in Deposits on Dec. 31, 1987, Listed Geographically

Deposit Rank 12/87	Name of Acquiring Bank	Former Name of Bank, or City	Name of Bank Acquired	Deposits of Merged Banks 12/31/86	Date of Change
267	**Sunburst Bank, Grenada, Miss.**		Bank of Laurel	59,985,819	Oct. 30
123	**Deposit Guaranty National Bank, Jackson, Miss.**		First Citizens National Bank, Tupelo	234,823,000	Jan. 1
			Security State Bank, Starkville	146,045,479	May 29
143	**TrustMark National Bank, Jackson, Miss.**		Hernando Bank	76,863,132	Sep. 1
			Rankin County Bank, Brandon	148,679,869	Sep. 8
			Commercial NB&T Co., Laurel	137,478,000	Dec. 31
280	**Bank of Mississippi, Tupelo**		Bank of North Mississippi, Oakland	13,820,000	Apr. 23
			American Bank, Vicksburg	21,008,573	May 28
247	**Boatmens First National Bank, Kansas City**		Boatmens Livestock National Bank	37,333,000	Oct. 1
283	**Mark Twain Bank, Ladue, Mo.**	Mark Twain Bank NA			Jul. 2
129	**Centerre Bank NA, St. Louis**		Centerre Bank of Crystal City	59,321,000	May 18
			Centerre Bank of Pacific	43,884,999	May 18
98	**Mercantile Bank NA, St. Louis**		Mercantile Bank of Northwest Cty., Hazelwood	19,742,000‡	Mar. 6
181	**Valley Bank of Nevada, Las Vegas**		Security Bank of Nevada, Reno	430,504,000	Dec. 31
300	**First Nat'l Bk of Central Jersey, Bridgewater Twp.**		Peoples National Bank, Piscataway	216,756,000	Dec. 5
188	**Midlantic National Bank/South, Mt. Laurel, N.J.**	Midlantic National Bank/South, Cherry Hill			March
172	**First Fidelity Bank NA/N. Jersey, Totowa**		First Fidelity Bank NA W. Jersey	483,343,000	Jul. 1
90	**Norstar Bank of Upstate New York, Albany**		Norstar Bank of Hudson Valley NA, Newburgh	665,091,831	Oct. 1
111	**Norstar Bank NA, Buffalo, N.Y.**		Norstar Bank, Rochester	1,564,329,000	Apr. 1
171	**Norstar Bank, Hempstead, N.Y.**	Norstar Bank of Long Island, Hempstead			Sep. 19
		Peconic Bank, Riverhead (d)	Norstar Bank of Long Island, Hempstead	48,033,000(e)	Mar. 9
			Norstar Bank of Commerce, New York	427,265,000	Sep. 19
15	**Bank of New York**		Long Island Trust Co. NA, Garden City	1,589,360,000	Feb. 17
219	**IBJ Schroder Bank & Trust Co., New York**	J. Henry Schroder Bank & Trust Co.			Jan. 1
95	**Citibank (New York State), Perinton, N.Y.**	Citibank (New York State) NA, Rochester			May 1
184	**Southern National Bank, Lumberton, N.C.**		Union National Bank, Oxford	72,775,610	Oct. 31
245	**Provident Bank, Cincinnatti**		Hamilton County State Bank, Lackland	NA	Jun. 12
			Midwest Bank & Trust Co., Cleveland	109,373,000	Dec. 7
74	**Society National Bank, Cleveland**		Society Bank of Northwest Ohio, Port Clinton	78,248,216	May 18
			Society Bank of the Firelands, Vermilion	128,261,287	May 18
203	**Bank of Oklahoma NA, Tulsa**		American Exchange Bk & Tr Co., Norman	93,062,000	Aug. 21
			First National Bank, Yukon	44,880,000	Jul. 31
50	**United States National Bank, Portland, Ore.**		Bank of Corvallis	15,041,000	Oct. 1
			Pacific State Bank, Lincoln City	25,182,652	Oct. 1
191	**Dauphin Deposit B&T Co., Harrisburg, Pa.**		New Holland Farmers NB	135,390,450	Sep. 9
207	**First Eastern Bank NA, Wilkes-Barre, Pa.**		Peoples Bank of Nanticoke	21,648,873	Mar. 5
176	**Northeastern Bank of Pa., Wilkes-Barre**		First National Bank, Avoca	43,095,000†	Dec. 1
231	**Banco Santander Puerto Rico, Hato Rey**	Banco de Santander, P.R.			Feb. 17
177	**NCNB South Carolina, Columbia**		Bank of Hartsville	NA	May 22
93	**South Carolina National Bank, Columbia**		Bank of Fairfield, Winnsboro	28,057,000	May 1
226	**Norwest Bank South Dakota NA, Sioux Falls**		Norwest Capital Mgnt & Tr Co.,Sioux Falls, S.D.	NA	Mar. 30
152	**Sovran Bank/Central South, Nashville, Tenn.**	Commerce Union Bank			Oct. 31
			Commerce Union Bank, Lawrenceburg	61,231,900	Jan. 1
			United Citizens Bank, Ashland City	14,444,839	May 15
249	**First RepublicBank Austin NA, Tex.**	InterFirst Bank Austin NA	RepublicBank Austin	230,809,000	Jun. 6
262	**Texas Commerce Bank-Austin NA**		Texas Commerce Bank-Barton Creek NA, Austin	27,663,475	Jun. 22
			Texas Commerce Bank-Northcross NA, Austin	44,862,387	Jun. 22
30	**First RepublicBank Dallas NA**	RepublicBank Dallas NA	InterFirst Bank Dallas NA	3,525,388,000	Jun. 6
56	**MBank Dallas NA**		MBank Las Colinas NA, Irving	NA	Oct. 5
			MBank Lincoln Centre NA, Dallas	119,912,000†	Dec. 4
			MBank Market Center, Dallas	137,654,000†	Dec. 4
			MBank Preston, Dallas	630,192,000†	Dec. 4
			MBank Irving	65,379,000†	Dec. 4
236	**Texas Commerce Bank Dallas NA**		Unitedbank-Houston	224,760,715	Apr. 30
			Texas Commerce Bank-Brookhollow NA, Dallas	19,339,000	Jun. 22
			Texas Cmmce Bk-Campbell Center NA, Dallas	94,210,000	Jun. 22
			Texas Commerce Bank-Casa Linda NA, Dallas	89,010,000	Jun. 22
			Texas Commerce Bank-Hillcrest, Dallas	103,686,000	Jun. 22
			Texas Commerce Bank-Northwest NA, Dallas	73,795,000	Jun. 22
			Texas Commerce Bank-Park Central NA, Dallas	80,723,000	Jun. 22
			Texas Cmmc Bank-Preston Royal NA, Dallas	61,669,000	Jun. 22
			Texas Commerce Bank-Quorum NA, Dallas	29,709,000‡	Jun. 22
			Texas Commerce Bank-Garland	129,913,000	Jun. 22
			Texas Commerce Bank-Irving Boulevard, Irving	73,808,000	Jun. 22
			Texas Commerce Bank-Las Colinas, Irving	227,986,000	Jun. 22
242	**MBank El Paso NA, Tex.**		Western Bank, El Paso	46,082,000	Mar. 12
			MBank Bassett NA, El Paso	131,493,000	Jun. 26
			MBank El Paso West NA, El Paso	62,508,000	Jun. 26
			MBank Franklin NA, El Paso	46,337,000	Jun. 26
			MBank Vista Hills NA, El Paso	59,142,000	Jun. 26
180	**First Interstate Bank of Texas NA, Houston**	Allied Bank of Texas, Houston			1/29/88
102	**First RepublicBank Houston NA**	Republic Bank Houston NA	InterFirst Bank Houston NA	775,980,000	Jun. 6
			First RepublicBank Baytown	90,008,000†	Dec. 31
			First RepublicBank Braes Bayou NA, Houston	NA	Dec. 31
			First RepublicBank East Houston	157,327,000†	Dec. 31
			First RepublicBank Eldgridge NA, Houston	NA	Dec. 31
			First RepublicBank Fannin, Houston	352,519,000†	Dec. 31
			First RepublicBank Greenspoint, Houston	87,905,000†	Dec. 31
			First RepublicBank Nassau Bay NA, Houston	129,315,000†	Dec. 31
			First RepublicBank Post Oak, Houston (f)	52,583,000†	Dec. 31
			First RepublicBank San Felipe NA, Houston	NA	Dec. 31
			First RepublicBank SW Houston NA	NA	Dec. 31
			First RepublicBank Spring Branch, Houston	93,905,000†	Dec. 31
			First RepublicBank Kingwood NA	NA	Dec. 31
			First RepublicBank Pasadena	109,992,000†	Dec. 31
			First RepublicBank Tomball	87,574,000†	Dec. 31
85	**MBank Houston NA**		MBank Greenway, Houston	191,542,000	Jul. 1
			MBank Houston Southwest	47,845,000	Jul. 1
			MBank San Felipe NA, Houston	107,090,971	Jul. 1
			MBank Clear Lake NA, Houston	NA	Dec. 11
			MBank Copperfield NA, Houston	41,578,000†	Dec. 11
			MBank Greenspoint NA, Houston	72,803,000†	Dec. 11
			MBank Gulf Freeway NA, Houston	117,659,000†	Dec. 11
			MBank Long Point NA, Houston	142,161,000†	Dec. 11
			MBank Memorial NA, Houston	171,170,000†	Dec. 11
			MBank Westbury NA, Houston	98,920,000†	Dec. 11
			MBank Westchase NA, Houston	101,575,000†	Dec. 11
			MBank West Oaks NA, Houston	35,708,000†	Dec. 11
232	**NBC Bank-San Antonio NA, Tex.**		NBC Bank-Brooks Field NA, San Antonio	169,269,000	Jun. 30
			NBC Bank-Colonnade NA, San Antonio	38,587,000†	Sep. 30
			NBC Bank-Harlandale, San Antonio	87,757,000	Sep. 30
			NBC Bank-Ingram Park NA, San Antonio	52,418,000	Sep. 30
			NBC Bank-North NA, San Antonio	74,025,000	Sep. 30
			NBC Bank-Perrin Beitel NA, San Antonio	54,542,000	Sep. 30
			NBC Bank-Randolph NA, Universal City	45,431,000	Sep. 30

Acquiring Banks are listed in geographic order, with their respective deposit ranks for Dec. 31, 1987, shown in the left-hand column. Acquired banks are listed by date of acquisition. If several acquisitions occur on the same date, banks are listed geographically by city, and within a city, alphabetically. Unless otherwise noted, deposits shown are as of Dec. 31, 1986, and are for the acquired bank. **(d)**— Merged under the charter of Peconic Bank and title and location of Norstar Bank of Long Island Hempstead. **(e)**— Deposits are for Peconic Bank, the acquiring bank. **(f)**— Bank acquired First RepublicBank Post Oak NA, Houston, on Sept. 24. **N.A.**— Not available. **(†)**— Deposits are for 6/30/87. **(‡)**— Deposits are for 6/30/86. **Data sources:** American Banker survey data and the Federal Reserve Board's monthly G 4.5 Report: "Changes in Status of Banks and Branches."

Deposit Growth at Top Banks Increasingly Comes from Mergers

By KENNETH J. HICKS

NEW YORK — Deposit growth through mergers and acquisitions continued to rise among the largest commercial banks in 1987, according to an *American Banker* survey.

Acquired deposits made up more than three-quarters of the total deposit growth at the nation's top 300 banks as the number of mergers and acquisitions almost doubled.

Growth in acquired deposits, however, was smaller than a year earlier, when two large combinations had a tremendous impact. Acquired deposits increased 7.3% to $46 billion in 1987, compared with a 156% jump to $42.9 billion in 1986. The $46 billion figure is the largest since the *American Banker* began tracking mergers in 1980.

Partial acquisitions, such as branch purchases, are included in the newspaper's fifth annual survey of mergers and acquisitions by the top 300 U.S. banks. The survey also covers holding company acquisitions completed last year in which the lead banks were not affected by the mergers.

Total deposits of the top 300 was $1.4 trillion at yearend, an increase of $60.6 billion, or 4.4%, over yearend 1986. Fully 76% of that deposit growth came through mergers. In 1986, 40% of the deposit gain of $106.3 billion came through mergers, compared with only 17% of $97.4 billion in 1985.

Furthermore, 73 of the top 300 banks were involved in mergers in 1987, taking over the deposits of 243 banks. Both figures are new highs in this decade of consolidation.

In 1986, 65 banks acquired deposits of 123 banks, compared with 44 banks acquiring the deposits of 137 in 1985. The 156% jump in acquired deposits in 1986 can be attributed to two large California combinations. Wells Fargo Bank NA merged with Crocker National Bank, and Sanwa Bank California merged with Lloyds Bank California; the deals accounted for 41% of acquired deposits.

Since 1980, 1,004 banks have been acquired or merged, with deposits totaling $165.7 billion.

Texas Was Merger Center

In 1987, Texas voters approved a constitutional amendment that permitted limited branch banking. Banks were allowed to open as many as three new branches in each county, and bank holding companies were permitted to consolidate subsidiary banks into branches, as long as they retained a charter in each county. Several holding companies took advantage of the law, making Texas the most active merger state in the nation last year.

Ten of that state's banks acquired 90 other banks with $12.1 billion in deposits. That accounted for 26.3% of the total deposits taken over by the top 300 banks. Two banks — Texas Commerce Bank Houston NA and First RepublicBank Houston NA — merged 45 banks with $4.2 billion in deposits.

Texas Commerce merged 26 of its Houston-area banks and acquired four others in 1987. The 30 banks added $2.2 billion to the bank's deposits, moving it up eight places to 42d place in the nation. Texas Commerce Houston remained second in the state.

First Republic jumped 107 places to rank 102d in the nation and fifth in Texas. First Republic acquired $776 million-deposit InterFirst Bank Houston and merged 14 other First Republic banks, boosting its deposits to $1.9 billion. In 1986, the bank was the 10th largest in Texas.

AN *American Banker* SPECIAL REPORT

Texas Commerce Bank Dallas NA also made a significant jump through merged and acquired deposits. The bank merged 12 banks with $1.2 billion in deposits and moved into the top 300 at No. 236, up from 496 a year earlier. Eleven of the merged banks were Texas Commerce banks in Dallas, Garland, and Irving. The other was the $224.8 million-deposit Unitedbank-Houston. All told, Texas Commerce banks in the top 300 merged or acquired 44 banks with deposits of $3.5 billion.

MBanks of Dallas, El Paso, and Houston consolidated their banks as well. Those three banks acquired or merged 22 banks and brought in deposits of more than $2.4 billion.

The bank that acquired the most deposits last year was Michigan National Bank, Farmington Hills, which merged 16 other Michigan National banks with deposits of $7.1 billion. Michigan National was followed by First Bank NA, Minneapolis, which merged 13 banks with $5.0 billion; First RepublicBank Dallas NA, which acquired the $3.5 billion-deposit InterFirst Bank Dallas NA; Citizens and Southern National Bank of Florida, Ft. Lauderdale, which merged 14 banks with $3.5 billion in deposits; and First Union National Bank of Georgia, Atlanta, which acquired 9 banks and $2.6 billion in deposits. ■

Strategic Dates

April 3, 1989

STANDARD FORMAT: Effective today, the Federal Reserve Board implements a standard message format for all Fedwire funds transfers. The format concerns the processing of information in a message about the customer receiving funds in a transaction.

When it comes to progressive banking, Delaware legislators really have their acts together.

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As a result, you'll find Delaware banking legislation among the most advanced in the nation. So advanced, in fact, we've removed usury ceilings and established a regressive bank franchise tax as low as 2.7%. We've created more advantages for all banking operations in Delaware by allowing broader powers for dealing in securities. We've even expanded the opportunity for interstate banking.

Our laws, however, are not the only example of our innovative approach to business. Delaware offers an accessible state government, which allows decisions to be made quickly and fairly and information easy to obtain. Plus, a growing, productive labor force, and a strategic location.

So if you think you might want to locate in a state where legislators really have their acts together, call (302) 736-4271 and discuss it with Carolyn DePew of the Delaware Development Office. She'll tell you all about the progressive state your banking operations could be in.

DELAWARE
SMALL WONDER

Acquisitions, Name and Location Changes

Among Top 300 Banks in Deposits on Dec. 31, 1987, Listed Geographically

Deposit Rank 12/87	Name of Acquiring Bank	Former Name of Bank, or City	Name of Bank Acquired	Deposits of Merged Banks 12/31/86	Date of Change
42	**Texas Commerce Bank NA, Houston**		Montgomery Cty. Bank NA, The Woodlands	115,735,000	Jan. 29
			Bank of North America, Houston	30,560,000	Aug. 28
			Texas Commerce Bank-Airline, Houston	115,673,987	Jun. 15
			Texas Cmrc Bk-Champions Pk NA, Houston	37,784,000	Jun. 15
			Texas Commerce Bank-Chemical, Houston	125,412,000	Jun. 15
			Texas Commerce Bank-Clear Lake NA, Houston	40,390,534	Jun. 15
			Texas Commerce Bank-Cyfair NA, Houston	31,914,000	Jun. 15
			Texas Cmrc Bk-Cypress Station NA, Houston	56,269,661	Jun. 15
			Texas Commerce Bank-Del Oro NA, Houston	71,402,973	Jun. 15
			Texas Cmrc Bk-Greens Crossing NA, Houston	28,860,000‡	Jun. 15
			Texas Cmrc Bk-Greenway Plaza NA, Houston	101,568,064	Jun. 15
			Texas Commerce Bank-Inwood NA, Houston	52,356,972	Jun. 15
			Texas Commerce Bank-Lakeside, Houston	103,534,193	Jun. 15
			Texas Commerce Bank-North Freeway, Houston	68,948,476	Jun. 15
			Texas Commerce Bank-Reagan, Houston	280,033,000	Jun. 15
			Texas Commerce Bk-Richmond/Sage, Houston	56,561,542	Jun. 15
			Texas Commerce Bank-River Oaks NA, Houston	46,294,000	Jun. 15
			Texas Commerce Bank-South Belt NA, Houston	44,538,811	Jun. 15
			Texas Commerce Bank-Southeast, Houston	86,189,140	Jun. 15
			Texas Commerce Bank-Tanglewood, Houston	126,503,000	Jun. 15
			Texas Commerce Bank-West Oaks NA, Houston	25,056,743	Jun. 15
			Texas Cmrc Bank-WestLake Park NA, Houston	60,971,226	Jun. 15
			Texas Commerce Bank-Westwood, Houston	50,256,000	Jun. 15
			Texas Commerce Medical Bank, Houston	183,138,889	Jun. 15
			Texas Commerce Bank-Kingwood, Humble	91,019,152	Jun. 15
			Texas Commerce Bank-Katy Freeway NA, Katy	43,558,000‡	Jun. 15
			Texas Commerce Bank-Pasadena	32,165,231	Jun. 15
			Texas Commerce Bank-Stafford	113,841,147	Jun. 15
			Western Bank Westwood NA, Houston	NA	Oct. 2
			Western Bank N. Wilcrest NA, Houston	NA	Oct. 2
145	**First Security Bank of Utah NA, Ogden**		First Security State Bank, Salt Lake City	20,337,000	Feb. 2
43	**Crestar Bank, Richmond**	United Virginia Bank			Sep. 1
			People's Bank of Chesapeake	81,730,000	Jan. 31
60	**Signet Bank/Virginia, Richmond**	Bank of Virginia			Mar. 30
201	**Puget Sound National Bank, Tacoma, Wash.**		Gig Harbor National Bank	NA	Oct. 17
117	**First Wisconsin NB, Milwaukee**		First National Bank, Glendale	90,244,410	Feb. 28
182	**M&I Marshall & Ilsley Bank, Milwaukee**		M&I Bank, Greenfield	48,715,000	Mar. 1
			M&I Silver Spring Bank, Milwaukee	59,680,100	Mar. 1
			M&I Bay View State Bank, Milwaukee	61,539,000	Apr. 1

Acquiring Banks are listed in geographic order, with their respective deposit ranks for Dec. 31, 1987, shown in the left-hand column. Acquired banks are listed by date of acquisition. If several acquisitions occur on the same date, banks are listed geographically by city, and within a city, alphabetically. Unless otherwise noted, deposits shown are as of Dec. 31, 1986, and are for the acquired bank. **(†)—** Deposits are for 6/30/87. **(‡)—** Deposits are for 6/30/86. **Data sources:** American Banker survey data and the Federal Reserve Board's monthly G 4.5 Report: "Changes in Status of Banks and Branches."

MERGERS AND ACQUISITIONS

Summary Statistics

Geographical Breakdown of Mergers Among Top 300 Banks

	Acquiring Banks 1987	Acquiring Banks 1986	Banks Acquired 1987	Banks Acquired 1986	Deposits Acquired[1] 1987	Deposits Acquired[1] 1986
Alabama	2	1	5	6	$203	$1,094
Alaska	1	0	1	0	187	0
Arizona	1	1	2	1	91	6
California	5	3	6	3	307	17,764
Connecticut	2	2	4	2	768	174
Florida	5	8	24	22	4,759	6,033
Georgia	4	2	13	2	2,766	125
Idaho	0	1	0	1	0	57
Indiana	2	2	3	2	358	201
Louisiana	2	2	7	3	1,841	491
Maryland	2	1	2	1	565	118
Massachusetts	2	2	8	10	2,321	2,166
Michigan	3	1	21	1	7,055	43
Minnesota	1	1	13	1	5,019	155
Mississippi	4	3	8	6	839	500
Missouri	3	6	4	22	160	2,958
Nevada	1	0	1	0	431	0
New Jersey	2	4	2	4	700	1,126
New York	4	3	5	3	4,293	835
North Carolina	1	0	1	0	73	0
Ohio	2	5	4	6	315	3,188
Oklahoma	1	3	2	4	138	1,065
Oregon	1	1	2	2	40	69
Pennsylvania	3	4	3	6	200	4,073
Puerto Rico	0	1	0	1	0	N.A.
South Carolina	2	2	2	3	28	188
South Dakota	1	0	1	0	N.A.	0
Tennessee	1	2	2	4	75	241
Texas	10	0	90	0	12,146	0
Utah	1	1	1	1	20	6
Virginia	1	1	1	2	82	48
Washington	1	2	1	4	N.A.	178
Wisconsin	2	0	4	0	261	0
Totals	**73**	**65**	**243**	**123**	**46,041**	**42,902**

American Banker follows the bank of charter when banks merge. The surviving bank is the bank whose charter has survived the merger.
[1]These totals represent the "deposits acquired through merger" in the respective states. In calculating the "deposits acquired through merger", when the affiliated banks of a holding company merge under the charter of the smaller bank, American Banker counts the deposits of the smaller of the two institutions merged. This avoids overstating the impact of internal mergers. Please note: the 1987 data column has total deposits as of 12/31/86, and the 1986 data column has total deposits as of 12/31/85.

Top 10 Banks in Acquired Deposits

	Deposits Acquired	Banks Acquired	Deposit Rank
1. Michigan National Bank, Farmington Hills	$7,055	16	39
2. First Bank NA, Minneapolis	5,019	13	19
3. First RepublicBank Dallas NA	3,525	1	30
4. Citizens & So. Nat'l Bank of Fla., Ft. Lauderdale	3,484	14	76
5. First Union National Bank of Ga., Atlanta	2,555	9	101
6. Bank of New England NA, Boston	2,223	7	25
7. Texas Commerce Bank NA, Houston	2,221	30	42
8. First RepublicBank Houston NA	1,938	15	102
8. Bank of New York	1,589	1	15
10. Norstar Bank NA, Buffalo, N.Y.	1,564	1	111
Totals for the Top 10	**31,173**	**107**	

Banks and Deposits Acquired Through Merger by Top 300 Banks

(In Billions of Dollars)	Acquiring Banks	Banks Acquired	Deposits Acquired
1987	73	243	$46.0
1986	65	123	42.9
1985	44	137	16.8
1984	68	130	22.2
1983	55	130	13.5
1982	59	93	11.4
1981	47	110	9.5
1980	36	38	3.4